

SC:JPL:CAO
F.# 2010R02175

CR 13 351

FILED
IN CLERK'S OFFICE
U.S. DISTRICT COURT E.D.N.Y.
★ JUN 12 2013 ★

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

LONG ISLAND OFFICE

- - - - - X

UNITED STATES OF AMERICA

FEUERSTEIN, J

I N D I C T M E N T

WALL, M.J.

- against -

FARRUKH BAIG,
BUSHRA BAIG,
MALIK YOUSAF,
ZAHID BAIG,
SHANNAWAZ BAIG,
RAMON NANAS and
TARIQ RANA,

Defendants.

Cr. No. _____
(T. 8, U.S.C., §§
1324(a)(1)(A)(iii),
1324(a)(1)(A)(v)(I),
1324(a)(1)(A)(v)(II),
1324(a)(1)(B)(i),
1324(a)(1)(B)(ii) and
1324(b)(1); T. 18, U.S.C.,
§§ 981(a)(1)(C), 982(a)(6),
1028A(a)(1), 1028A(b),
1028A(c)(5), 1028A(c)(10),
1349, 2 and 3551 et seq.;
T. 21, U.S.C., § 853(p);
T. 28, U.S.C., § 2461(c))

- - - - - X

THE GRAND JURY CHARGES:

INTRODUCTION

At all times relevant to this Indictment, unless
otherwise indicated:

OVERVIEW OF THE SCHEME

1. On or about and between January 1, 2000 and June
12, 2013, the defendants, together with others, engaged in a
scheme to systematically employ illegal aliens at thirteen 7-
Eleven franchise stores in Long Island, New York and eastern
Virginia. In furtherance of this scheme, the defendants
knowingly employed more than 50 illegal aliens and used the
stolen identities of more than 25 actual people, including their

names and social security numbers, to conceal the presence of the illegal aliens on their payroll. The defendants further exploited the illegal aliens in their employ by misappropriating significant portions of the aliens' wages for their own use, and by requiring the illegal aliens to reside in residences that the defendants owned and controlled.

THE DEFENDANTS

2. The defendant FARRUKH BAIG was a United States citizen who lived in Head of Harbor, New York. FARRUKH BAIG owned, co-owned and/or controlled, together with others, the following thirteen 7-Eleven franchise stores in Long Island, New York and Eastern Virginia: store number 11194 in Selden, New York; store number 11204 in Islip, New York; store number 11212 in Smithtown, New York; store number 34450 in Smithtown, New York; store number 16440 in Cutchogue, New York; store number 20093 in Greenport, New York; store number 23030 in Portsmouth, Virginia; store number 23924 in Port Jefferson Station, New York; store number 27642 in Sag Harbor, New York; store number 33533 in Norfolk, Virginia; store number 33718 in Chesapeake, Virginia; and store number 34298 in Nesconset, New York (collectively, the "Farrukh Baig Stores"). As set forth in further detail below, the Farrukh Baig Stores systematically employed illegal aliens with no legal right to work in the United States.

4. The defendant BUSHRA BAIG was a United States citizen who lived in Head of Harbor, New York and was married to the defendant FARRUKH BAIG. BUSHRA BAIG, together with her husband and others, owned, co-owned and/or controlled the Farrukh Baig Stores.

5. The defendant MALIK YOUSAF was a United States citizen who lived in South Setauket, New York. Among other roles, YOUSAF helped the defendant FARRUKH BAIG, the defendant BUSHRA BAIG and others to manage and control the Farrukh Baig Stores. YOUSAF received paychecks from four of the Farrukh Baig stores.

6. The defendant ZAHID BAIG was a United States citizen who lived in Chesapeake, Virginia. Among other roles, ZAHID BAIG helped the defendant FARRUKH BAIG, who was his brother, the defendant BUSHRA BAIG and others to manage and control the Farrukh Baig Stores.

7. The defendant SHANNAWAZ BAIG was a United States citizen who lived in Virginia Beach, Virginia. Among other roles, SHANNAWAZ BAIG helped the defendant FARRUKH BAIG, who was his brother, the defendant BUSHRA BAIG and others to manage and control the Farrukh Baig Stores.

8. The defendant RAMON NANAS was a citizen of the Republic of the Philippines who lived in Ronkonkoma, New York. Among other roles, RAMON NANAS helped the defendant FARRUKH BAIG,

the defendant BUSHRA BAIG and others to manage and control the Farrukh Baig Stores.

9. The defendant TARIQ RANA was a Pakistani citizen who lived in Chesapeake, Virginia. Among other roles, RANA helped the defendant FARRUKH BAIG, the defendant BUSHRA BAIG and others to manage and control the Farrukh Baig Stores.

THE FRANCHISOR

10. Seven & I Holdings was the operator, franchisor and licensor of more than 49,000 convenience stores worldwide. 7-Eleven stores, under the parent company Seven & I Holdings, were located in 16 countries, with its largest markets being the United States, Japan, Canada, the Philippines, Hong Kong, Taiwan, Malaysia and Thailand. 7-Eleven Inc. ("SEI"), the United States division of Seven & I Holdings Co., was headquartered in Dallas, Texas. Most of the SEI stores in the United States were operated by franchisees pursuant to the terms and conditions set forth by franchise agreements. Through these franchise agreements, SEI granted franchisees a license to utilize the real property, SEI trademarks, specialized equipment (such as specialized food and drink machines) and each physical structure that formed each 7-Eleven franchise store.

OWNERSHIP OF THE FARRUKH BAIG STORES

11. On or about November 11, 1988, defendants FARRUKH BAIG and BUSHRA BAIG purchased a license to operate 7-Eleven

store number 16440, located in Cutchogue, New York. On or about the date of purchase, defendants FARRUKH BAIG and BUSHRA BAIG executed a franchise agreement with SEI.

12. On or about March 14, 1990, defendant FARRUKH BAIG purchased a license to operate 7-Eleven store number 20093, located in Greenport, New York. On or about the date of purchase, defendant FARRUKH BAIG executed a franchise agreement with SEI. Defendant BUSHRA BAIG was later added to the franchise agreement on or about July 14, 2009.

13. On or about November 8, 1993, defendants FARRUKH BAIG and BUSHRA BAIG purchased a license to operate 7-Eleven store number 11212, located in Smithtown, New York. On or about the date of purchase, defendants FARRUKH BAIG and BUSHRA BAIG executed a franchise agreement with SEI.

14. On or about November 4, 1994, John Doe #1, an individual whose identity is known to the Grand Jury, purchased a license to operate 7-Eleven store number 23030, located in Portsmouth, Virginia. John Doe #1 was a straw-purchaser who was acting on behalf of defendants FARRUKH BAIG and BUSHRA BAIG and others, who actually financed, controlled and profited from store number 23030. On or about the date of purchase, John Doe #1 executed a franchise agreement with SEI and did not disclose the true ownership and control of store number 23030 by defendants FARRUKH BAIG and BUSHRA BAIG.

15. On or about November 4, 1994, defendant FARRUKH BAIG purchased a license to operate 7-Eleven store number 11194, located in Selden, New York. On or about the date of purchase, defendant FARRUKH BAIG executed a franchise agreement with SEI.

16. On or about March 8, 1996, defendants FARRUKH BAIG and BUSHRA BAIG purchased a license to operate 7-Eleven store number 23924, located in Port Jefferson Station, New York. On or about the date of purchase, defendants FARRUKH BAIG and BUSHRA BAIG executed a franchise agreement with SEI.

17. On or about November 6, 1999, defendants FARRUKH BAIG and BUSHRA BAIG purchased a license to operate 7-Eleven store number 27642, located in Port Jefferson Station, New York. On or about the date of purchase, defendants FARRUKH BAIG and BUSHRA BAIG executed a franchise agreement with SEI.

18. On or about September 23, 2000, defendants FARRUKH BAIG and BUSHRA BAIG purchased a license to operate 7-Eleven store number 11204, located in Islip, New York. On or about the date of purchase, defendants FARRUKH BAIG and BUSHRA BAIG executed a franchise agreement with SEI.

19. On or about September 4, 2008, John Doe #2, an individual whose identity is known to the Grand Jury, purchased a license to operate 7-Eleven store number 33718, located in Chesapeake, Virginia. John Doe #2 was a straw-purchaser who was acting on behalf of defendants FARRUKH BAIG and BUSHRA BAIG and

others, who actually financed, controlled and profited from store number 33718. On or about the date of purchase, John Doe #2 executed a franchise agreement with SEI and did not disclose the true ownership and control of store number 33718 by defendants FARRUKH BAIG and BUSHRA BAIG.

20. On or about January 20, 2009, Jane Doe #1, an individual whose identity is known to the Grand Jury, purchased a license to operate 7-Eleven store number 33533, located in Norfolk, Virginia. Jane Doe #1 was a straw-purchaser who was acting on behalf of defendants FARRUKH BAIG and BUSHRA BAIG and others, who actually financed, controlled and profited from store number 33533. On or about the date of purchase, Jane Doe #1 executed a franchise agreement with SEI and did not disclose the true ownership and control of store number 33533 by defendants FARRUKH BAIG and BUSHRA BAIG.

21. On or about September 25, 2009, defendant FARRUKH BAIG purchased a license to operate 7-Eleven store number 34928, located in Nesconset, New York. On or about the date of purchase, defendant FARRUKH BAIG executed a franchise agreement with SEI.

22. On or about March 14, 2013, defendants FARRUKH BAIG and BUSHRA BAIG purchased a license to operate 7-Eleven store number 34450, located in Smithtown, New York. On or about the date of purchase, defendants FARRUKH BAIG and BUSHRA BAIG executed a franchise agreement with SEI. Defendants FARRUKH BAIG

and BUSHRA BAIG purchased the license to operate 7-Eleven store number 34450 by exercising a store transfer election to trade-in the license to operate 7-Eleven store number 11212, a process which is described in further detail below.

THE FRANCHISE AGREEMENTS

23. Pursuant to the terms and conditions set forth by the franchise agreements applicable to the Farrukh Baig Stores, SEI granted to defendants FARRUKH BAIG and BUSHRA BAIG and their straw-purchasers licenses to utilize the real property, SEI trademarks, specialized equipment (such as specialized food and drink machines) and each physical structure. The terms and conditions of the franchise agreements required franchisees to, among other things, comply with all applicable laws, rules, regulations and ordinances.

24. Pursuant to the franchise agreements, SEI also granted other services to franchisees, including an automated payroll service, access to a revolving line of credit, store transfer elections and automatic renewal of franchise agreements.

25. The automated payroll service provided by SEI required franchisees to input each employee's personal means of identification, such as name and social security number, and the hours each employee worked, into each franchise store's data terminal, which was provided by SEI and linked electronically to SEI corporate headquarters in Dallas, Texas. SEI then processed that data and, after subtracting certain expenses, issued wages

directly to the franchisee's employees. SEI paid franchisee employees in one of the following ways: by check, by direct deposit into a bank account or by deposit to a debit card issued by SEI in the employee's name. Throughout the course of the conspiracy and the execution of the scheme, the Farrukh Baig Stores utilized the automated payroll service provided by SEI.

26. The revolving line of credit provided by SEI enabled franchise stores to pay vendors even when there were insufficient funds in the store bank account. SEI extended the line of credit so that franchisees could pay vendors, and then deducted the credited amounts from future profit disbursements to the franchisees. Throughout the course of the conspiracy and the execution of the scheme, the Farrukh Baig Stores utilized the line of credit provided by SEI on a regular basis.

27. SEI also provided the Farrukh Baig Stores with a store transfer election option and automatic renewal of franchise agreements. Under a store transfer election, if SEI opened a new store in the same geographic area of a franchisee's existing store, the franchisee of the existing store could elect to trade in that store for the brand new location. Defendant FARRUKH BAIG acquired store number 34450 through this store transfer election process. SEI also provided automatic renewal of franchise agreements for franchisees not in breach when the franchisees' 15-year terms ended. Seven of the Farrukh Baig Stores (store

numbers 11194, 20093, 11212, 16440, 23924, 27642, 23030) renewed their franchise agreements during the course of the conspiracy and the execution of the scheme.

28. SEI retained ownership of the real property, SEI trademarks, specialized equipment and each physical structure at the franchise stores, including the Farrukh Baig Stores. The property and services provided by SEI to franchisees under the terms of the franchise agreements, including, but not limited to, the property and services described in paragraphs 23 through 27 above, are referred to herein collectively as the "Franchise Benefits." Pursuant to the same franchise agreements, SEI also retained the right to reclaim possession and control of the Franchise Benefits if SEI determined that a breach of a franchise agreement had occurred, such as a failure by the franchisee to comply with all applicable laws, rules, regulations and ordinances.

29. Thus, the franchise agreements for the Farrukh Baig Stores allowed SEI to immediately halt certain Franchise Benefits upon a determination by SEI that a franchise agreement breach had occurred. For example, SEI had a right to immediately cease the revolving line of credit, the store transfer election and the automatic renewal, among other services, upon a breach of the franchise agreement. SEI never acted to halt the Franchise Benefits in connection with any of the Farrukh Baig Stores.

30. The franchise agreements for the Farrukh Baig Stores also gave SEI the right to terminate the franchise relationship and reclaim all of the Franchise Benefits if they determined, inter alia, that the owners and managers of the store committed a non-curable breach of the franchise agreement. The violation of, or failure to comply with, any applicable law, rule, regulation, ordinance or order relating to the operation of the store by a franchisee constituted a non-curable breach of the franchise agreement that gave SEI the right to terminate the franchise agreement and reclaim the Franchise Benefits. SEI never exercised its right to terminate any franchise agreements in connection with the Farrukh Baig Stores.

THE EMPLOYMENT SCHEMES

31. The defendants, together with others, knowingly and systematically employed illegal aliens, who possessed no legal right to work in the United States, at the Farrukh Baig Stores. Among other reasons, the defendants employed illegal aliens because the defendants knew that they could pay the aliens less and keep part of the aliens' wages for themselves.

32. In connection with the operation of the Farrukh Baig Stores, the defendants, together with others, knowingly used, without lawful authority, means of identification of at least 25 persons, whose identities are known to the Grand Jury (the "stolen identities"), knowing that the means of

identification belonged to real people. The defendants, together with others, used the stolen identities to conceal their employment of the illegal aliens at the Farrukh Baig Stores. In particular, the defendants, together with others, inputted the stolen identity information into the Farrukh Baig Stores' data terminals in lieu of the true identity information of the illegal aliens. The defendants then submitted that stolen identity information electronically to SEI for processing and wage payment.

33. The defendants, together with others, then stole significant portions of the wages earned by the illegal aliens by retaining custody of the illegal aliens' SEI-issued checks and debit cards. Rather than distributing full wages to the illegal aliens, the defendants and others kept significant portions of those wages for themselves and distributed the remainder to the illegal aliens in cash.

34. The defendants, together with others, knowingly concealed and harbored the illegal aliens at private residences that they owned and controlled near the Farrukh Baig Stores, including: 1000 9th Street #G56, Greenport, New York and other locations (the "Harboring Residences"). The defendants charged the illegal aliens a fee to live at the Harboring Residences, which were neither registered with, nor inspected by, state and municipal agencies, nor approved to operate as rental homes.

THE WIRE FRAUD SCHEME

35. As set forth in Title 8, Code of Federal Regulations, Section 274a, the Farrukh Baig Stores were required by federal law and regulations to inspect identification documents and keep records to ensure that their employees were permitted to work in the United States. Under the franchise agreements, failure to comply with these laws and regulations enabled SEI to immediately terminate all Franchise Benefits, as well as the franchise relationship.

36. The defendants FARRUKH BAIG, BUSHRA BAIG and MALIK YOUSAF, together with others, knowingly and purposefully hired illegal aliens to work in the Farrukh Baig Stores and did not inspect the identification documents of the Farrukh Baig Stores' employees or maintain truthful records. The defendants FARRUKH BAIG, BUSHRA BAIG and MALIK YOUSAF, together with others, transmitted false payroll information to SEI about who was actually working at the Farrukh Baig Stores and how many hours they were actually working.

37. The false payroll information included the transfer, use and possession of the stolen identities, in lieu of the actual identities of the Farrukh Baig Stores' illegal alien employees. That false payroll information was inputted into the Farrukh Baig Stores' data terminals and then transmitted to SEI headquarters, located in Dallas, Texas, for payroll processing.

In addition, the defendants, together with others, caused the SEI payroll service to transmit this false information, including the stolen identity information, to United States regulatory agencies, such as the Internal Revenue Service.

38. By transmitting and causing the transmission of the false payroll information, the defendants FARRUKH BAIG, BUSHRA BAIG and MALIK YOUSAF obtained the continued use of SEI Franchise Benefits including, but not limited to, the payroll service, the line of credit and the store transfer election option, and obtained significant portions of the illegal aliens' pay, as described above.

39. During the course of the conspiracy and the execution of the scheme, the defendants FARRUKH BAIG, BUSHRA BAIG and MALIK YOUSAF generated millions of dollars of profits through the operation of the Farrukh Baig Stores. Under the terms of the franchise agreements, those profits were shared by the defendants and SEI.

COUNT ONE
(Conspiracy to Commit Wire Fraud)

40. The allegations contained in paragraphs 1 through 39 are realleged and incorporated herein as if fully set forth in this paragraph.

41. On or about and between August 1, 2002 and June 12, 2013, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants

FARRUKH BAIG, BUSHRA BAIG and MALIK YOUSAF, together with others, did knowingly and intentionally conspire to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice, to transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures and sounds, contrary to Title 18, United States Code, Section 1343.

(Title 18, United States Code, Sections 1349 and 3551 et seq.)

COUNT TWO
(Conspiracy to Conceal and Harbor Illegal
Aliens for Financial Gain)

42. The allegations contained in paragraphs 1 through 39 are realleged and incorporated herein as if fully set forth in this paragraph.

43. On or about and between January 1, 2000 and June 12, 2013, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants FARRUKH BAIG, BUSHRA BAIG, MALIK YOUSAF, ZAHID BAIG, SHANNAWAZ BAIG, RAMON NANAS and TARIQ RANA, together with others, knowing and in reckless disregard of the fact that one or more aliens had come to, entered and remained in the United States in violation of law, did knowingly and intentionally conspire to conceal,

harbor and shield from detection such aliens in one or more places, including buildings and means of transportation, contrary to Title 8, United States Code, Section 1324(a)(1)(A)(iii), which offense was done for the purpose of commercial advantage and private financial gain.

(Title 8, United States Code, Sections 1324(a)(1)(A)(v)(I) and 1324(a)(1)(B)(i); Title 18, United States Code, Sections 3551 et seq.)

COUNT THREE

(Concealment and Harboring of Illegal Aliens for Financial Gain)

44. The allegations contained in paragraphs 1 through 39 are realleged and incorporated as if fully set forth in this paragraph.

45. On or about and between January 1, 2000 and June 12, 2013, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants FARRUKH BAIG, BUSHRA BAIG, MALIK YOUSAF, ZAHID BAIG, SHANNAWAZ BAIG, RAMON NANAS and TARIQ RANA, together with others, knowing and in reckless disregard of the fact that one or more aliens had come to, entered and remained in the United States in violation of law, did knowingly and intentionally conceal, harbor and shield from detection, and attempt to conceal, harbor and shield from detection, such aliens in one or more places, including

buildings and means of transportation, which offense was done for the purpose of commercial advantage and private financial gain.

(Title 8, United States Code, Sections 1324(a)(1)(A)(iii), 1324(a)(1)(A)(v)(II), 1324(a)(1)(B)(i) and 1324(a)(1)(B)(ii); Title 18, United States Code, Sections 2 and 3551 et seq.)

COUNTS FOUR THROUGH FIFTEEN
(Aggravated Identity Theft)

46. The allegations contained in paragraphs 1 through 39 are realleged and incorporated as if fully set forth in this paragraph.

47. On or about and between January 1, 2000 and June 12, 2013, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants FARRUKH BAIG, MALIK YOUSAF, ZAHID BAIG, SHANNAWAZ BAIG and RAMON NANAS, together with others, during and in relation to one or more of the crimes charged in Counts One, Two and Three, did knowingly and intentionally transfer, possess and use, without lawful authority, means of identification of another person, knowing that the means of identification belonged to another person, as identified below:

<u>COUNT</u>	<u>DEFENDANTS</u>	<u>VICTIM</u>	<u>STORE ID #'S</u>
FOUR	FARRUKH BAIG, MALIK YOUSAF, RAMON NANAS and TARIQ RANA	John Doe #3, whose identity is known to the Grand Jury	11212, 23924, 34298
FIVE	FARRUKH BAIG and MALIK YOUSAF	Jane Doe #2, whose identity is known to the Grand Jury	23924
SIX	FARRUKH BAIG, MALIK YOUSAF and TARIQ RANA	John Doe #4, whose identity is known to the Grand Jury	11212, 34298
SEVEN	FARRUKH BAIG, MALIK YOUSAF and TARIQ RANA	John Doe #5, whose identity is known to the Grand Jury	11212, 34298, 11194, 27642
EIGHT	FARRUKH BAIG, MALIK YOUSAF, ZAHID BAIG and TARIQ RANA	John Doe #6, whose identity is known to the Grand Jury	16440, 33718
NINE	FARRUKH BAIG and MALIK YOUSAF	John Doe #7, whose identity is known to the Grand Jury	20093
TEN	FARRUKH BAIG, MALIK YOUSAF and ZAHID BAIG	Jane Doe #3, whose identity is known to the Grand Jury	16440
ELEVEN	FARRUKH BAIG, MALIK YOUSAF and SHANNAWAZ BAIG	John Doe #8, whose identity is known to the Grand Jury	20093
TWELVE	FARRUKH BAIG, MALIK YOUSAF and ZAHID BAIG	Jane Doe #4, whose identity is known to the Grand Jury	16440
THIRTEEN	FARRUKH BAIG and MALIK YOUSAF	Jane Doe #5, whose identity is known to the Grand Jury	20093

FOURTEEN	FARRUKH BAIG, MALIK YOUSAF and ZAHID BAIG	John Doe #9, whose identity is known to the Grand Jury	16440
FIFTEEN	FARRUKH BAIG and MALIK YOUSAF	John Doe #10, whose identity is known to the Grand Jury	20093

(Title 18, United States Code, Sections 1028A(a)(1), 1028A(b), 1028A(c)(5), 1028A(c)(10), 2 and 3551 et seq.)

CRIMINAL FORFEITURE ALLEGATION
AS TO COUNT ONE

48. The United States hereby gives notice to the defendants charged in Count One that, upon conviction of the offense charged in Count One, the government will seek forfeiture in accordance with Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), which require any person convicted of such offense to forfeit any property, real or personal, constituting or derived from proceeds traceable to such offense, including but not limited to:

a. all right, title and interest accorded to the franchisee under that certain Individual Store Franchise Agreement dated June 13, 2008 for 7-Eleven store number 23030 located in Portsmouth, Virginia, and all proceeds traceable thereto;

b. all right, title and interest accorded to the franchisee under that certain Individual Store Franchise Agreement dated October 13, 2008 for 7-Eleven store number 33718

located in Chesapeake, Virginia, and all proceeds traceable thereto;

c. all right, title and interest accorded to the franchisee under that certain Individual Store Franchise Agreement dated January 8, 2009 for 7-Eleven store number 33533 located in Norfolk, Virginia, and all proceeds traceable thereto;

d. all right, title and interest accorded to the franchisee under that certain Individual Store Franchise Agreement dated December 13, 2007 for 7-Eleven store number 33329 located in Chesapeake, Virginia, and all proceeds traceable thereto; and

e. the real property and premises located at 5 Farmers Lane, St. James, New York 11780.

49. If any of the above-described forfeitable property, as a result of any act or omission of the defendants charged in Count One:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the Court;

d. has been substantially diminished in value;
or

e. has been commingled with other property, which cannot be divided without difficulty; it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of such defendants up to the value of the forfeitable property described in this forfeiture allegation.

(Title 28, United States Code, Section 2461(c); Title 18, United States Code, Section 981(a)(1)(C); Title 21, United States Code, Section 853(p))

CRIMINAL FORFEITURE ALLEGATION
AS TO COUNTS TWO AND THREE

50. The United States hereby gives notice to the defendants that, upon conviction of either of the offenses charged in Counts Two or Three, the government will seek forfeiture in accordance with (a) Title 8, United States Code, Section 1324(b)(1) and Title 28, United States Code, Section 2461(c), which require any person convicted of such offenses to forfeit any conveyance, including any vessel, vehicle or aircraft that has been or is being used in the commission of such offenses, the gross proceeds of such offenses, and property traceable to such conveyance or proceeds, and/or (b) Title 18, United States Code, Section 982(a)(6), which requires any person convicted of such offenses or a conspiracy to commit such offenses to forfeit any conveyance, including any vessel, vehicle

or aircraft used in the commission of such offenses, any property, real or personal, that constitutes or is derived from proceeds obtained directly or indirectly from the commission of such offenses, or that is used to facilitate or intended to be used to facilitate the commission of such offenses, including but not limited to:

a. all right, title and interest accorded to the franchisee pursuant to that certain Store Franchise Agreement dated November 11, 1988 for 7-Eleven store number 16440 located in Cutchogue, New York, and all proceeds traceable thereto;

b. all right, title and interest accorded to the franchisee pursuant to that certain Store Franchise Agreement dated November 8, 1993 for 7-Eleven store number 34450 located in Smithtown, New York, and all proceeds traceable thereto;

c. all right, title and interest accorded to the franchisee pursuant to that certain Store Franchise Agreement dated November 4, 1994 for 7-Eleven store number 11194 located in Selden, New York, and all proceeds traceable thereto;

d. all right, title and interest accorded to the franchisee pursuant to that certain Individual Store Franchise Agreement dated June 30, 2004 for 7-Eleven store number 11204 located in Islip, New York, and all proceeds traceable thereto;

e. all right, title and interest accorded to the franchisee pursuant to that certain Individual Store Franchise Agreement dated May 13, 2004 for 7-Eleven store number 27642 located in Sag Harbor, New York, and all proceeds traceable thereto;

f. all right, title and interest accorded to the franchisee pursuant to that certain Individual Store Franchise Agreement dated May 13, 2004 for 7-Eleven store number 20093 located in Greenport, New York, and all proceeds traceable thereto;

g. all right, title and interest accorded to the franchisee pursuant to that certain Store Franchise Agreement dated March 8, 1996 for 7-Eleven store number 23924 located in Port Jefferson Station, New York, and all proceeds traceable thereto;

h. all right, title and interest accorded to the franchisee pursuant to that certain Individual Store Franchise Agreement dated September 25, 2009 for 7-Eleven store number 34298 located in Nesconset, New York, and all proceeds traceable thereto;

i. all right, title and interest accorded to the franchisee pursuant to that certain Individual Store Franchise Agreement dated June 13, 2008 for 7-Eleven store number 23030

located in Portsmouth, Virginia, and all proceeds traceable thereto;

j. all right, title and interest accorded to the franchisee pursuant to that certain Individual Store Franchise Agreement dated October 13, 2008 for 7-Eleven store number 33718 located in Chesapeake, Virginia, and all proceeds traceable thereto;

k. all right, title and interest accorded to the franchisee pursuant to that certain Individual Store Franchise Agreement dated January 8, 2009 for 7-Eleven store number 33533 located in Norfolk, Virginia, and all proceeds traceable thereto;

l. all right, title and interest accorded to the franchisee under that certain Individual Store Franchise Agreement dated December 13, 2007 for 7-Eleven store number 33329 located in Chesapeake, Virginia, and all proceeds traceable thereto;

m. the real property and premises located at 1000 9th Street, Unit #G56, Driftwood Cove, Greenport, New York 11944; and

n. the real property and premises located at 5 Farmers Lane, St. James, New York 11780.

51. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the Court;

d. has been substantially diminished in value;
or

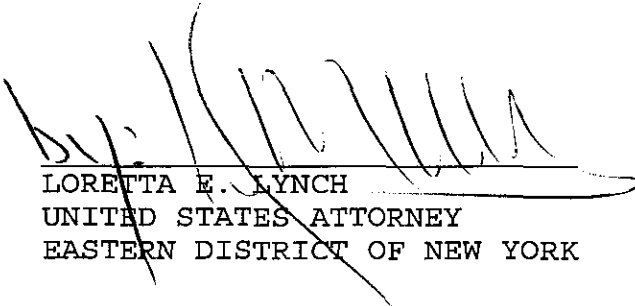
e. has been commingled with other property, which cannot be divided without difficulty;
it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b) and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property

of such defendants, up to the value of the forfeitable property described in this forfeiture allegation.

(Title 8, United States Code, Section 1324(b)(1); Title 18, United States Code, Section 982(a)(6); Title 21, United States Code, Section 853(p); Title 28, United States Code, Section 2461(c))

A TRUE BILL

FOREPERSON


LORETTA E. LYNCH
UNITED STATES ATTORNEY
EASTERN DISTRICT OF NEW YORK

No. _____

UNITED STATES DISTRICT COURT

**EASTERN DISTRICT OF NEW YORK
CRIMINAL DIVISION**

THE UNITED STATES OF AMERICA

vs.

FARRUKH BAIG, et al,
Defendant(s).

INDICTMENT

T. 8, U.S.C., § 1324 (a) (1)(A)(iii), 1324(a)(1)(A)(v)(II), 1234 (a)(1)(B)(i), 1324 (a)(1)(B)(ii),
1324 (b)(1); T. 18, U.S.C., § 981 (a)(1) (C), 983 (a)(6), 1028A (a)(1), 1028A (b), 1028A (c)(5), 1028A © (10), 1349, 2
and 3551 et seq.; T. 21, U.S.C., § 853(p); T. 28, U.S.C., § 2461(c)

A true bill.

Foreman

Filed in open court this _____ day,

of _____ A.D. 20 _____ Clerk

Bail, \$ _____

**CHRISTOPHER OTT, ASSISTANT U.S. ATTORNEY
U.S. ATTORNEY'S OFFICE - EDNY
610 FEDERAL PLAZA
CENTRAL ISLIP, NEW YORK 11722
(631) 715-7900**